



**FY 2022 Creating Homes Initiative (CHI 2.0)
Announcement of Funding (AOF) – Submitted Questions & Responses
11/4/21**

Q1. Can we apply for funds to build a new women & children's house AND one to provide ongoing operations for a specific property? Basically 2 different applications. Let me know if this is possible. Excerpt below...

"from agencies and organizations throughout the state of Tennessee to develop safe, quality, and affordable permanent housing options, to provide ongoing operations for newly created housing options, and/or to provide recovery support services to benefit residents of newly developed safe, quality, and affordable permanent housing for Tennesseans living with substance use disorder, in particular opioid use disorder."

- **Yes, you may submit 2 separate proposals for 2 distinct projects to create new housing opportunities. Please be advised that while operational costs are eligible for funding, it must apply to new housing opportunities – in other words, beds or residences are not available or accessible for occupancy prior to awarding of grant funds.**

Q2. If we were to receive funding, does all the funding have to be spent by June 30, 2022?

- **Yes, all funds awarded by the FY 2022 CHI 2.0 grant must be expensed during the grant contract period, which is projected to begin on 1/15/22 and will end on 6/30/22. As indicated in section 2.1 of the AOF, funding associated with this Announcement is not intended for costs incurred prior to the CHI 2.0 grant contract start date or after the end date of the contract.**

Q3. If we include funding for recovery support services in our proposal, can we begin offering those services utilizing grant funds while our project is under construction?

- **Grant funding awarded for operational costs or support services cannot be used prior to the site being open and available to new residents of the targeted population of service.**

Q4. Our agency has a program that is a workforce development program helping young adults who are high school dropouts get back in school to get their GED, chart a plan for a career and help them with workforce skills. Our Career Specialists can give participants rent and utility assistance, tuition, books for school, equipment for a job, childcare, and some other needed things. The point of providing direct support is to keep our participants on track to reach their career goals. The Career Specialist will work with participants on resume prep, mock interviews, budgeting, and obtaining internships and permanent positions. My question is would this fall under Recovery Services?

- **For the purposes of the FY 2022 CHI 2.0 grant AOF, the services as described would not be considered eligible for funding. Recovery support services for the purposes of the FY 2022 CHI 2.0 grant funding is intended for the direct support of residents of newly developed safe, quality, and affordable permanent housing for Tennesseans living with substance use disorder, in particular opioid use disorder.**

Q5. I am opening sober living homes for women in middle Tennessee. The nonprofit offers permanent housing for women over addiction and re-establishing in their community. The home that I am trying to purchase is perfect for this due to its location and layout. (The cost) is 1.48 million dollars. Is this too large for the grant?

- **Total available grant funds for the FY 2022 CHI 2.0 AOF is estimated at \$1.5 million. As indicated in section 2.1.4 of the AOF, grant contracts awarded as a result of this announcement of funding are subject to the appropriation and availability of funds. In the event funds are not appropriated or otherwise unavailable, the State reserves the right to terminate Grant Contracts upon written notice to the Grantee. The TDMHSAS encourages prospective proposing entities to consider the proposed project's cost per bed to help determine the economic efficiency of the project.**

Q.6. The AOF states:

Program funds for this grant may be expended for:

- Capital purchase and/or professional fees for the purpose of development, new construction, acquisition, rehabilitation, and/or conversion of infrastructure to create safe, quality, affordable permanent housing for Tennesseans living with substance use disorder, in particular opioid use disorder;
- Ongoing operational costs for newly created housing options for Tennesseans living with substance use disorder, in particular opioid use disorder; and/or
- Operational costs for recovery support services to benefit residents of newly developed safe, quality, and affordable permanent housing for Tennesseans living with substance use disorder, in particular opioid use disorder.

We have 50 new units that were partially funded by Creating Affordable Housing (CAH) through TDMHSAS. They will open between December 15, 2021 & January 15, 2022. Since this is new

housing can we apply for funding to help with operational costs and recovery support services for those residents or only the residents who will live in the units we want funded through CHI 2.0?

- **Yes, proposals for operational costs or recovery support services for residents of newly developed safe, quality, and affordable permanent housing for Tennesseans living with substance use disorder, in particular opioid use disorder. Please be advised that while operational costs are eligible for funding, it must apply to new housing opportunities – in other words, beds or residences are not available or accessible for occupancy prior to awarding of grant funds.**

Q7. Is this (grant opportunity) for adults only or can we submit for an adolescent program?

- **The FY22 CHI 2.0 AOF does not explicitly limit proposals to indicate services to adults only; however, please be advised that the CHI 2.0 grant is intended to develop and expand the number of safe, quality, affordable, permanent housing options for Tennesseans living with substance use disorder. While recovery support services can and should be available at the site of residence, treatment-based services should not be delivered at the site of residence.**

Q8. What is the funding maximum? We don't want to send a request for \$1 million if you only intend to fund up to \$250,000, for example.

- **Total available grant funds for the FY 2022 CHI 2.0 AOF is estimated at \$1.5 million. As indicated in section 2.1.4 of the AOF, grant contracts awarded as a result of this announcement of funding are subject to the appropriation and availability of funds. In the event funds are not appropriated or otherwise unavailable, the State reserves the right to terminate Grant Contracts upon written notice to the Grantee.**

Questions 9 & 10 share the same response.

Q9. The funding period is January 15-June 30, 2022—does this mean we just need to start construction during this time period? Or does this mean the entire project must be built within this time period?

Q10. Must a construction project or a building rehab project be completed within the January 15, 2022 through June 30, 2022 time period?

- **All funds awarded by the FY 2022 CHI 2.0 grant for infrastructure must be expensed during the grant contract period, which is projected to begin on 1/15/22 and will end on 6/30/22. As indicated in section 2.1 of the AOF, funding associated with this**

Announcement is not intended for costs incurred prior to the CHI 2.0 grant contract start date or after the end date of the contract. Since proposers are advised at this time that budgets toward the Creating Homes Initiative 2.0 (CHI 2.0) grant will be cost reimbursed, as indicated in section 2.1.3 of the AOF, all grant expenses must be incurred during the grant contract period.

Q11. Will the Grant Budget be approved to allow for Capital Purchasing of a facility in full or only partial?

- **As indicated in section 2.1.3, “Allocations”, of the AOF document, proposing entities are advised at this time that budgets toward the Creating Homes Initiative 2.0 (CHI 2.0) will be cost reimbursed. All invoices paid or payments made by the State are to be cost reimbursed; specifically, awarded Grantees must first pay for a given cost out-of-pocket first, and then the State reimburses the Grantee for such cost. Capital Purchases can be reimbursed in full in one (1) payment if the Grantee agency completes the capital purchase in full prior to billing against the grant for reimbursement.**

Q12. The AOF states that funding would not be allowed for costs incurred prior to the CHI 2.0 grant start date of January 15, 2022. Does this include proper reimbursement for Capital Purchases (Facility) that we may purchase and close on between the Grant award date of 12-6-2021 and 01-22-2022 if awarded this grant?

- **Yes, any expenses, including property purchases and closing costs, that are incurred outside of the actual grant contract period are not eligible for reimbursement/payment.**

Q13. The AOF mentions funding can be used for staffing, could this also include a LADAC provider if choosing the Supervised Recovery Residence Option?

- **Yes, funding toward operational and support services costs may include staffing, including a LADAC provider. Proposing entities are encouraged to include in the proposal narrative detail regarding the duties/responsibilities of any proposed staffing to support the recovery of residents.**

Q14. IF we currently run a community supervision program that already has performance-based needs assessment, relapse prevention services and recovery skills services. Are we free to use them or will TDMHSAS require specific assessments and services of their choosing?

- **Proposing entities are encouraged to utilize existing services that deliver quality, effective recovery support services for the benefit of residents of new housing created with the CHI 2.0 grant. Grant awardees must ensure any such existing services are accessible to and have the capacity to serve the new residents. Proposing entities are encouraged to include detail describing the array of services to be made available to the residents and how they can be accessed.**

Q15. Can an LLC apply for CHI funding? This is for a new build. However, if it is for building rehab and/or acquisition and the LLC own it, but the nonprofit organization is applying, then that is a “no”, correct?

- **An LLC can apply for the CHI 2.0; historically, the overwhelming majority of grantees have been nonprofit organizations, but LLCs and for-profit organizations can submit proposals for the CHI 2.0 grant. Funding can be used for property acquisition, new construction, rehabilitation, or renovation. The property must be owned by the entity that applies for the grant and becomes the Grantee. The “Proposer Eligibility” section of the CHI 2.0 AOF states “the proposer, for purposes of this Announcement, must be the owner of the proposed project by no later than the contract start date”.**

Q16. I am in the middle of looking at a hotel project that could provide transitional housing to women while in drug court and possibly longer. The bottom floor is retail that would offer a restaurant, and boutique shops that would provide employment to the women living there as they go through drug court. It could be a no cost living arrangement as long as they remain clean and sober, and off MAT. This opportunity would place them in a position to save money they make working so they could put it toward a down payment for permanent housing. We could work with the city, county, and HUD to help them find suitable permanent housing. Is this something that you have ever considered?

- **The TDMHSAS is interested in innovative methods to support the recovery of Tennesseans with mental illness and/or substance use disorders and continues to pursue more opportunities for resources to increase the array of service delivery and programs to further promote resiliency, recovery, and independence for the targeted population. Regarding the Creating Homes Initiative, all grant funding opportunities are specific toward the creation of new permanent housing for the targeted population. For the purposes of the Creating Homes Initiative, “permanent housing” refers to safe, affordable, quality community-based residential options, for which Tennesseans living with mental illness and/or substance use disorder, can reside for as long as they choose and/or need. While implementation of effort to support or encourage residents to consider, seek, obtain, and sustain housing at a higher level of independent living (if and when appropriate) is allowable, there is no set or specified time limit for when a resident is required to leave the housing.**

Q17. Are faith-based organizations eligible to submit a proposal?

- **Yes, faith-based organizations can submit proposals in response to the CHI 2.0 Announcement of Funding. Please review section 2.3 of the Announcement for the proposer eligibility requirements.**

Q18. If funds are not expended by June 30, 2022, will there be an opportunity to submit a request for a no-cost extension?

- **No, the FY22 CHI 2.0 grant does not offer a no-cost extension period. All FY22 CHI 2.0 grant funds must be expended during the grant contract period. Expenses incurred outside the grant contract period are not eligible for reimbursement/payment. Please review section 2.1 of the Announcement for funding information.**

Q19. We are seeking clarification on the Safety Measures referenced in Section 3.5? Is this referring to programmatic safety measures or building safety measures (i.e., fire safety, tornado, etc.)?

- **Safety measures, as indicated in question in section 3.5 of the Announcement refers to both infrastructural features and amenities and programmatic operations, practices and/or plans.**

Q20. Should construction costs be listed under capital or under equipment rental and maintenance?

- **Construction costs should be allocated to either the Capital Purchase line item or the Professional Fees line item in the proposed budget.**
 - **For construction/rehabilitation/renovation materials and work carried out by a contractor or developer and the CHI 2.0 grantee is paying the contractor for this: costs should be allocated to the Professional Fees line item.**
 - **For costs of construction/building materials to be purchased directly by the grantee agency, where costs per item is \$5,000 or more: these costs should be allocated to the Capital Purchases line item.**
 - **For costs of construction/building materials to be purchased directly by the grantee agency, where the costs per item is less than \$5,000: these costs should be allocated to the Supplies line item.**

Please refer to the “Instructions” tab on the budget template for more detail about these line items. The budget template can be found by clicking on the web hyperlink about at the top of Attachment D, which is also found here:

https://www.tn.gov/content/dam/tn/mentalhealth/documents/Cost_reimbursement_budget_fy22.xls

Q21. Can the payment schedule under default conditions be clarified?

- While this submitted question does not specify the sample of the Grant Note document found in Attachment H of the Announcement, it appears the subject of this question is specific to this document. As indicated in the last section of the Grant Note sample document, in the event of default of the conditions set forth, “TDMHSAS shall, at any time thereafter, be entitled, but not required, to immediately demand payment of all amounts due under this Grant Note as of the date of default.” Please be advised that the document also indicates “Amounts not paid upon demand shall bear interest at the maximum lawful rate from the date of demand until the date payment is received.”

Q22. In Attachment D, the budget instructions state that the proposers should submit a budget based on a full year of program implementation. Should the budget reflect a 12-month funding period or should the budget show only the six-month funding period of January 15, 2022 - June 30, 2022?

- For 1-time costs toward construction, acquisition, rehabilitation, and/or conversion of infrastructure to create housing, a proposed budget should reflect the funding period of January 15, 2022 – June 30, 2022. For costs for ongoing operational or recovery support services costs, a separate proposed budget should reflect a 12-month funding period.

Q23. How will the affordability period be defined?

- Please refer to section 2.1.5, Grant Note, Restrictive Covenant, and Property Deed: The State’s interest in a funded Property will be assigned upon award but the affordability period is typically from 5 – 25 years, depending on the capital investment by the State. The Affordability Period associated with each project may vary depending upon the total amount of funding the Department provides. The Department will make final decisions regarding the Affordability Periods for contractual funding ranges at or near the time grant awardees are announced.

As a reference for the purpose of an example only, the following funding amount ranges were used to determine the Affordability Periods for TDMHSAS housing grant contracts during FY21:

\$1 – \$100,000	5-year Affordability Period
\$100,001 – \$200,000	10-year Affordability Period
\$200,001 – \$300,000	15-year Affordability Period
\$300,001+	20-year Affordability Period

Q24. The proposals are due November 22nd. Is there a time, central/eastern?

- **Proposals submitted by no later than 11:59pm central time on November 22, 2021 will be accepted.**

Q25. Can housing funded through CHI 2.0 be limited to specific populations, such as women with children?

- **Yes, submitted proposals that target a specific subset of the overall targeted population of Tennesseans living with substance use disorder, in particular opioid use disorder, can be accepted. Proposing entities should identify any specified subset of the targeted population and provide detail regarding need in the proposal narrative.**

Q26. In the definition of affordable housing on page 7, the AOF states that the housing must be available to all individuals regardless of income. Please clarify if a person who is unable to pay rent must be accepted as a tenant or allowed to stay in the housing.

- **The goal of the Creating Homes Initiative is to increase the stock of quality, safe, affordable, permanent housing opportunities for all Tennesseans of the targeted population in need of this essential resource, including individuals who are unable to pay. The TDMHSAS recognizes the need for essential services and resources, including housing, is essential to achieving recovery, resiliency, and independence for all. The TDMHSAS recognizes the need of affordable permanent housing providers to be able to cover expenses related to the housing opportunities provided. Proposing entities are encouraged to explore opportunities to dedicate a portion of the proposed number of beds to serve qualifying individuals who are unable to pay.**

Q27. Is this grant eligible for rental payments on an existing home?

- **CHI 2.0 grant funding cannot be used for rental payments. As indicated in section 2.1.2 of the FY22 CHI 2.0 Announcement of Funding, grant funding is for:**

- Development, new construction, acquisition, rehabilitation, and/or conversion of infrastructure to create new housing;
- Ongoing operational costs (i.e., utility costs, property maintenance) for newly created housing options; and
- Operational costs for recovery support services to benefit residents of newly developed safe, quality, and affordable permanent housing

Q28. Is this opportunity only for new construction? Also, can you define new in terms of years please?

- **As indicated in section 2.1.2 of the FY22 CHI 2.0 Announcement of Funding, this grant is intended to fund projects for:**
 - The development, new construction, acquisition, rehabilitation, and/or conversion of infrastructure to create new housing options in Tennessee for individuals in opioid use recovery; and/or
 - Ongoing operational costs (i.e., utility costs, property maintenance) for newly created housing options Tennesseans living with substance use disorder, in particular opioid use disorder; and/or
 - Operational costs for recovery support services to benefit residents of newly developed safe, quality, and affordable permanent housing for Tennesseans living with substance use disorder, in particular opioid use disorder.

Any actual construction should be new construction, to create new housing infrastructure. “New”, in terms of newly created housing, means housing infrastructure, regardless of age, that is not currently utilized to provide safe, quality, affordable, permanent housing for the targeted population indicated in the Announcement of Funding.

Q29. Can multiple occupants participate in the program and live in the home simultaneously? If so, how many?

- **Yes, with each funding opportunity the TDMHSAS Creating Homes Initiative seeks to expand the number quality, safe, affordable, and permanent housing options for people with mental illness and co-occurring disorders. While there is no identified limit to the number of residents in each residential site being created, proposing entities are encouraged to consider characteristics of quality and comfort in permanent housing, such as adequate square footage per resident, personal privacy, and a setting that is conducive to recovery.**

Q30. What is the min/max amount of funding awarded for this grant opportunity?

- **Submitted proposals with a minimum of \$100,000 in requested funds will be considered for review. There is no set limit on the amount of requested funds for a submitted proposal; however, total available grant funds for the FY 2022 CHI 2.0 AOF is estimated at \$1.5 million. As indicated in section 2.1.4 of the AOF, grant contracts awarded as a result of this announcement of funding are subject to the appropriation and availability of funds. In the event funds are not appropriated or otherwise unavailable, the State reserves the right to terminate Grant Contracts upon written notice to the Grantee.**

Q31. In terms of cost reimbursement, what qualifies as upfront capital (i.e., volunteer community service hours, funding sources, working capital, etc.) as it pertains to this grant?

- **Monetary expenditures specifically for the proposed project is the only source of capital that qualifies for cost reimbursement. Awarded Grantees must first pay for a given cost out-of-pocket first, and then the State reimburses the Grantee for such cost. Resources such as volunteer community service hours, leveraged funding sources, working capital, etc. are not eligible for cost reimbursement.**

Q32. In our previous proposals, we had a specific property owner that was willing to sell and wait for the time frame that was outlined. Currently, we do not have an owner waiting in the wings. If we are to request funds it would not be for a specified site. The request would be made for a sum of money that we feel comfortable that would be able to purchase a 4-bedroom (8 beds) house AFTER January 15, 2022. We would then diligently shop for housing that fits the criteria from guidelines and have the new home purchased before June deadline. In this current real-estate market, it is not practical to specify a property on November 22 and expect it will be available on January 15.

Would it be reasonable to include some recent examples of houses that are currently available to justify the amount we request? Even though it MAY NOT be those exact houses.

- **The TDMHSAS cannot justifiably establish a grant contract to commit grant funding toward a project that does not specify an identified property. Section 3.2 of the Announcement of Funding requires proposals to specify the address and county of the proposed project site and the proposed number of beds to be made available for the purposes of this grant. Please review section 3.2 for additional detail regarding the information requested for the project design.**

Q33. We were fortunate to find our current housing in a Multi Family Zoning. Keeping in this Zone greatly reduces the opportunity for housing options. From what I understand, the ADA states housing for recovery should not be discriminated upon due to the SUD disability. Does that

mean we are free to choose housing that is in a regular community development (not multi-family)?

- **A full spectrum of community locations and zones can be considered for proposed projects. The TDMHSAS recognizes the need for quality, safe, affordable, and permanent housing in regions and areas throughout the state, and therefore does not explicitly exclude any locations, areas, or zones from consideration. Please see section 2.1.7 of the announcement, to review the property standard requirements for this grant opportunity.**

Q34. With the rising costs of housing, is there a range of overall cost for a proposed project versus the number served?

- **With current dynamics of the housing market and cost of construction, materials, etc., the TDMHSAS has not specified a range of overall cost for a proposed project versus the number of residents served. As a reference for consideration, for a TDMHSAS housing grant opportunity released during FY 2021, the overall cost per bed for selected proposed projects was approximately \$21,000.**

Q35. Could these funds be used to retire debt on a newly acquired property that has not had any substantial renovations completed or residents at the point of the proposal?

- **Grant funds can be considered for this purpose if the property does not provide residential occupancy to residents at the prior to the grant contract period. The property must create new safe, quality, and affordable permanent housing opportunities for the population identified in the Announcement. As indicated in section 2.3 of the Announcement of Funding, the proposing entity must be the owner of the proposed project by no later than the contract start date. Please also review section 2.1 of the Announcement for funding information and guidelines.**

Q36. Our agency's project will involve establishing a multi-bed facility with substance abuse rehabilitation and employment which would lead to getting each of the clients into a permanent housing environment before they could exit the program or qualify for graduation from the program. They would start in permanent housing and then would transition into their own permanent housing. Is that a legitimate project for this grant?

- **Proposed projects that are eligible for review for the CHI 2.0 grant funding must provide permanent housing, meaning a given person who is eligible for the services can stay for as long as they want or need. Housing opportunities funded by this grant must not establish a term limit on how long a person can live there or when a person**

must leave. Also, please review the definition of “permanent housing” in the ‘Definitions’ section of the AOF on page 7.

Q37. We already have land secure and available for purchase, but it seems likely that no contractor will be available for up to six months due to labor shortages; as a result, the construction/build may not be completed during the grant contract period. There would not be anyone living at the site during the grant contract period. Can we secure a bank loan to purchase the land and get reimbursed (by the grant) even if no one would be living at the site until perhaps Fall 2022?

- **Actual grant expenditures must be incurred during the grant contract period to be eligible for reimbursement. Many projects may include leveraged resources from other funding sources to complete the entire project which may potentially take place before, during, or even after the FY22 Creating Affordable Housing grant contract period. TDMHSAS recognizes that in these instances, it is possible that projects may not be fully completed before the end of the CAH grant contract period, but please note that expenses against the CAH grant contract and budget must be incurred during the grant contract period. If a project is not fully completed or completely sufficiently to begin residential occupancy on or near the start of the Affordability Period (please review section 2.1.5 and Attachment G of the AOF, as well as question 23), a projected timeline to determine the start of occupancy would need to be provided and approved.**

Q38. Did I understand correctly that all mental health treatment needs to happen off site from the newly created facility?

- **The Creating Homes Initiative and the CHI 2.0 grant is intended to create permanent housing that does not incorporate a clinically oriented setting. While clinical treatment is a critical component to substance use recovery, actual clinical treatment should not take place at the permanent housing site. Recovery support services can, and in many cases should, be made available and accessible at residential site.**

Q39. Question about the format of the proposed budget: you stated a while ago that one-time expenses like construction costs should be submitted using the grant period dates; however, for the operating costs, they will have to be submitted on a full year, right?

- **For a projected budget for one-time infrastructural costs, a budget period matching the grant contract period (1/15/22 – 6/30/22) should be used. For a projected budget for ongoing (recurring) operational costs, a budget period of 1 full year (12 months) should be used. If the proposal includes both 1-time infrastructure costs and ongoing operational costs, TDMHSAS advises that a separate copy of the Excel budget**

template is used for each budget (1 for 1-time infrastructural costs, 1 for ongoing operational costs); please be sure to clearly label each proposed budget to help distinguish them in your submitted proposal.

Q40. What is the compliance period? Is there a match required?

- **‘Compliance period’ is a term that is often used by other housing grant funding entities (for example, THDA). ‘Compliance period’ is synonymous to the term ‘affordability period’ referenced in the CHI 2.0 AOF. Please review section 2.1.5 and Attachment G of the AOF, as well as the response to question 23 above for more information regarding affordability period.**
There is no match requirement for the CHI 2.0 grant.

Questions 41 & 42 share the same response.

Q41. As an example, say we build this wonderful place for women with children, and then the grant contract period has ended, and then we need to hire people to work there, and we need to provide these services. Is there work if/when we would receive funding to provide services in this location we just built?

Q42. Can an agency also propose operational costs for this new proposed housing site?

- **The CHI 2.0 grant is intended to provide opportunities for infrastructure and/or ongoing operational costs for support services to benefit residents of new, safe, quality, affordable, and permanent housing. For a projected budget for one-time infrastructural costs, a budget period matching the grant contract period (1/15/22 – 6/30/22) should be used. For a projected budget for ongoing (recurring) operational costs, a budget period of 1 full year (12 months) should be used. If the proposal includes both 1-time infrastructure costs and ongoing operational costs, TDMHSAS advises that a separate copy of the Excel budget template is used for each budget (1 for 1-time infrastructural costs, 1 for ongoing operational costs); please be sure to clearly label each proposed budget to help distinguish them in your submitted proposal.**

Q43. For clarification, do we create two budgets where the two budgets are different, or should it be on one template (for infrastructure and operations)?

- **If the proposal includes both 1-time infrastructure costs and ongoing operational costs, TDMHSAS advises that a separate copy of the Excel budget template is used for each budget (1 for 1-time infrastructural costs, 1 for ongoing operational costs); please**

be sure to clearly label each proposed budget to help distinguish them in your submitted proposal.